
From: Stewart, Kyle [REDACTED]
Sent: Thursday, May 3, 2007 16:01
To: feedback
Cc: Eric Yip
Subject: FW: Introduction of a Closing Auction

With regards to the Consultation Paper dated March 2007, "The Introduction of a Closing Auction Session", we are fully supportive of the proposed addition. We believe it will bring the Hong Kong Stock Exchange in-line with global stock markets and add significant value to our customers.

- > We believe the auction mechanics could be simplified to make it more
- > "user friendly", but support the proposed auction as a necessary first
- > step.
- >
- > Specifically we would advise two changes to the auction.
- >
- > (1) Remove the Pre-order matching period
- > (2) Remove the at auction limit order, leaving only limit orders
- >
- > Two major benefits to these changes.
- >
- > (1) It will simplify the auction and bring it in-line with other
- > regional exchanges. Thus, making it more accessible for our customers.
- > (2) Removing the at auction orders encourages market participants to place orders early to gain priority at price.
- This should result in better price discovery earlier in the auction period, which should attract more volume.

> Thank you

> Kyle Stewart

> Kyle W. Stewart

> Managing Director
> Head Asia Pac Cash Equity Trading
> Citigroup Global Capital Markets
> 50/F Citibank Tower, Citibank Plaza
> Central, Hong Kong

> Office [REDACTED]
> US Toll Free [REDACTED]
> Mobile [REDACTED]

- >
- > This was prepared for informational purposes and is not an official
 - > confirmation of terms. It is based on publicly available information
 - > and no representation is made as to accuracy/completeness or that any
 - > returns indicated will be achieved. Changes to assumptions may have a
 - > material impact on returns and past performance is not indicative of
 - > future results. Price/availability is subject to change without
 - > notice. This is neither an offer to sell nor a solicitation of any
 - > offer to buy a new issue security. Please contact your Citigroup
 - > salesperson for further info. Please go to
 - > www.citigroupgcib.com/data/documents/Disclaimer_Market_Commentary.pdf
 - > for other important disclosures.

- >
- > If you are not the intended recipient of this message, please delete
 - > and do not disclose or make improper use of it, and promptly notify
 - > the sender. Electronic messages are not necessarily secure or
 - > error-free and can contain viruses, and the sender is not liable for
 - > any of these occurrences.